STATE OF MICHIGAN
IN THE 30TH CIRCUIT COURT FOR THE COUNTY OF INGHAM

ANITA G. FOX, Director of the Michigan Department of Insurance and Financial Services,

Petitioner,

v.

PAVONIA LIFE INSURANCE COMPANY OF MICHIGAN,

Respondent.
/

Case No. 19-504-CR

Hon. Wanda M. Stokes

Christopher L. Kerr (P57131)
Assistant Attorneys General
Corporate Oversight Division
P. O. Box 30736
Lansing, MI 48909
(517) 335-7632
KerrC2@michigan.gov
Counsel for Petitioner

Lori McAllister (P39501)
Dykema Gossett PLLC
201 Townsend St., Ste. 900
Lansing, MI 48933
(517) 374-9100
lmcallister@dykema.com
Counsel for Axar Capital, LLC

Peter B. Kupelian (P31812)
Clark Hill PLC
151 S. Old Woodward Ave., Ste. 200
Birmingham, MI 48009
(248) 530-6336
pkupelian@clarkhill.com

Ronald A. King (P45088)
Zachary C. Larsen (P72189)
Clark Hill PLC
212 E. Cesar E. Chavez Ave.
Lansing, MI 48906
(517) 318-3015
rking@clarkhill.com
larsenz@clarkhill.com
Counsel for GBIG Holdings, Inc.

/

JOINT NOTICE OF SIGNING OF STOCK PURCHASE AGREEMENT

GBIG Holdings, Inc. ("GBIG") and Axar Capital, LLC ("Axar"), through their attorneys, hereby give notice to this Court and to the Rehabilitator Anita G. Fox that they have signed a Stock Purchase Agreement dated January 20, 2022. Per this Court's instructions at the hearing on the Rehabilitator's application for an amended plan of rehabilitation on January 12, 2022, and GBIG's

and Axar's objections to the same, a copy of the Stock Purchase Agreement is attached as Exhibit A for filing.

Respectfully Submitted,

/s/ Lori McAllister (w/permission)
Lori McAllister (P39501)
Attorney for Axar Capital, LLC
Dykema Gossett PLLC
201 Townsend St., Ste. 900
Lansing, MI 48933
(517) 374-9100

/s/ Zachary C. Larsen
Ronald A. King (P45088)
Zachary C. Larsen (P72189)
Attorney for GBIG Holdings, LLC
Clark Hill PLC
212 E. Cesar E. Chavez Ave.
Lansing, MI 48906
(517) 318-3015

Dated: January 24, 2022

EXHIBIT A

Execution Version

STOCK PURCHASE AGREEMENT

Dated as of January 20, 2022

between

GBIG HOLDINGS, LLC

and

AXAR CAPITAL MANAGEMENT LP

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (including all schedules, exhibits and amendments hereto, this "Agreement"), dated as of January 20, 2022, is made by and between GBIG HOLDINGS, LLC, a Delaware limited liability company ("Seller"), and AXAR CAPITAL MANAGEMENT LP, a Delaware limited partnership ("Buyer"). Capitalized terms used in this Agreement have the meanings given to such terms herein, as such definitions are identified in **Exhibit A**. In this Agreement, Seller or Buyer may be referred individually as "Party" or collectively as "Parties".

PRELIMINARY STATEMENTS

A. Seller owns all of the issued and outstanding Capital Stock (the "Shares") of Pavonia Life Insurance Company of Michigan, a life insurance company organized under the Laws of Michigan ("PLICMI" or the "Acquired Company"); and,

B. Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Shares, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of the Shares. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer (or to an Affiliate of Buyer designated in writing by Buyer), free and clear of all Liens, and Buyer shall purchase, acquire and accept from Seller, all of Seller's right, title and interest in and to all of the Shares of PLICMI for the Purchase Price set forth in Section 1.02, and in accordance with the wire transfer instructions set forth in Section 1.02 of the Disclosure Schedules. The term "Disclosure Schedules" means the disclosure schedules, attached hereto and made a part hereof, delivered by Seller and Buyer at least two Business Days prior to the execution and delivery of this Agreement.

Section 1.02 Purchase Price. The Parties agree that the "Purchase Price", subject to adjustments in this Agreement, will be [redacted]. At Closing, the Buyer (or its assignee) shall pay the Purchase Price as follows:

[redacted]

(b) [redacted] to be paid directly to Aspida Holdco, LLC ("Aspida") (the "Aspida Payment") per the payment instructions in Section 1.04.

Section 1.03 Withholding. Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, (a) each payment made pursuant to this Agreement shall be made net of any Taxes required by applicable Law to be deducted or withheld from such payment and (b) any amounts deducted or withheld from any such payment shall be remitted to the applicable taxing authority and shall be treated for all purposes of this Agreement as having been paid. Seller shall provide Buyer with a valid IRS Form W-9 on or prior to the Closing, or other documentation reasonably satisfactory to Buyer to establish that no withholding under Section 1445 of the Code is required with respect to the Purchase Price.

Section 1.04 Aspida Payment. The Aspida Payment shall be made by wire transfer of immediately available funds in United States currency to the following account of Ares Insurance Partners LP on behalf of Aspida:

[redacted]

For the purposes of the Aspida Payment under Section 1.02(b) only, Aspida shall be a third-party and expressly entitled to enforce such right to payment against Buyer.

ARTICLE II
CLOSING

Section 2.01 Closing. In accordance with the terms and subject to the conditions set forth in this Agreement, the closing of the purchase and sale of the Shares contemplated by this Agreement (the "Closing") shall take place remotely by electronic exchange of documents and electronic signatures, or at such other physical location as the parties may mutually agree, as soon as reasonably practicable upon fulfillment or waiver of all conditions precedent to Closing (the "Closing Date").

Section 2.02 Payments. At the Closing, Buyer shall deliver to Seller payment, by wire transfer of immediately available funds, an amount determined in accordance with Section 1.02(a) in accordance with the wire transfer instructions set forth in Section 1.02 of the Disclosure Schedules.

Section 2.03 Seller Closing Deliverables. At the Closing, Seller shall deliver to Buyer the following:

(a) Share certificates evidencing the Shares, free and clear of all Encumbrances, accompanied by stock powers or other instruments of transfer duly executed substantially in the form of **Exhibit 2.03(a)** (the "PLICMI Stock Powers").

(b) A certificate of the Secretary (or other officer) of Seller certifying: (i) that attached thereto are true and complete copies of all resolutions of the board of directors and the stockholders of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that such resolutions are in full force and effect; (ii) the names, titles and signatures of the officers of Seller authorized to sign this Agreement; and (iii) that attached thereto are true and complete copies of the governing documents of the Acquired Company, including any amendments or restatements thereof, and that such governing documents are in full force and effect.

(c) Certificates of Authority of PLICMI for the State of Michigan and for the applicable states which it is qualified to do business as foreign insurance corporation.

(d) Certificate of nonforeign status pursuant to Treasury Regulation Section 1.1445-2(b)(2) (the Foreign Investment in Real Property Tax Act of 1980; "FIRPTA") substantially in the form of **Exhibit 2.03(d)**.

(e) All Third-Party Consents, if any, contemplated by Sections 3.02 and 3.03, and set forth in Disclosure Schedules.

(f) A certificate, in the form and substance reasonably satisfactory to Buyer, certifying that all of the closing conditions have been fulfilled or waived.

(g) Evidence of repayment of all indebtedness that would affect the purchase and transfer of the Shares.

(h) Written resignations of each of the directors, officer and managers of PLICMI, if any, effective as of the date of the Closing.

(i) A release agreement in the form of **Exhibit 2.03(i)** from Seller of any and all Seller**'s** claims against PLICMI (the "PLICMI Release Agreement").

Section 2.04 Buyer's Closing Deliverables. At Closing, Buyer shall deliver the following to Seller:

(a) The portion of the Purchase Price payable to Seller pursuant to Section 1.02(a).

(b) A certificate of the Secretary (or other officer) of Buyer certifying: (i) that attached thereto are true and complete copies of all resolutions of the board of directors or governing body of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that such resolutions are in full force and effect; and (ii) the names, titles and signatures of the officers of Buyer authorized to sign this Agreement.

(c) The Form A acquisition of control approval of the Michigan Department of Insurance and Financial Services ("DIFS") as contemplated by Section 5.02 and set forth in the Buyer Disclosure Schedules.

(d) A certificate, in the form and substance reasonably satisfactory to Seller, certifying all of the Closing conditions have been fulfilled or waived.

(e) Documentation evidencing completion of the Aspida Payment per Sections 1.02(b) & 1.04 (which may consist of a federal reference number in respect of the relevant wire transfer).

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to and as qualified by the matters set forth in the Disclosure Schedules, Seller hereby represents and warrants to Buyer as follows as of the date hereof and as of the Closing Date (except for such representations and warranties which address matters only as of a specific date, which representations and warranties shall be true and correct as of such specific date):

Section 3.01 Incorporation and Authority of Seller.

(a) Seller is a Delaware limited liability company, duly incorporated, validly existing and in good standing under the Laws of Delaware.

(b) Seller has all requisite corporate power to enter into this Agreement and, consummate the Transaction, and carry out its obligations under this Agreement. The execution and delivery by Seller of this Agreement and the consummation by Seller of the Transaction by, and the performance by Seller of its obligations under, this Agreement have been duly authorized by all requisite corporate action on the part of Seller. The execution and delivery by Seller and the Acquired Company of this Agreement and each other agreement related to the Transaction to which Seller and the Acquired Company is or will be a party, the consummation by Seller and the Acquired Company of the Transaction, and the performance by Seller and the Acquired Company of its obligations under this Agreement, have been duly authorized by all requisite corporate action on the part of Seller and the Acquired Company (including the approval of Seller's and Acquired Company's board of directors). No other corporate proceedings on the part of Seller or the Acquired Company, and no other votes or approvals of any class or series of Capital Stock of the Acquired Company, are necessary to authorize this Agreement or to consummate the Transaction. This Agreement has been duly executed and delivered by Seller, this Agreement constitutes (and at Closing, will constitute) the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, rehabilitation, liquidation, fraudulent conveyance or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law); provided, that the fact that the Acquired Company is under a Rehabilitation Order appointing DIFS as Rehabilitator will not be deemed to

provide any exception to the enforceable nature of this Agreement as against Seller, except to the extent of the required government approvals provided under Section 7.02(f) and Section 7.02(g).

Section 3.02 No Conflict. Except as set forth in Section 3.02 of the Disclosure Schedules and, in the case of clauses (b) and (c) below, except as may result from any facts or circumstances solely relating to Buyer or its Affiliates (as opposed to any other third party), the execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the Transaction do not (a) violate, conflict with or require a Consent under the organizational documents of Seller or of the Acquired Company, (b) violate or conflict with any Law, Permit or other Governmental Order applicable to Seller or the Acquired Company or by which any of them or any of their respective properties or assets is bound or subject or (c) result in any breach of, or constitute a default (or event which, with the giving of notice or lapse of time, or both, would become a default) under, result in the loss of any right, entitlement or obligation in, or give to any Person any entitlement or right under, including rights of termination, acceleration or cancellation of, or result in the loss of any right or benefit to which Seller, the Acquired Company is entitled under, or result in the creation of any Lien on any of the assets or properties of Seller or the Acquired Company pursuant to, any Contract to which Seller or the Acquired Company or any of their properties or assets are bound, other than, in the case of clauses (b) and (c), any such conflicts, violations, breaches, defaults, rights or Liens that, individually or in the aggregate, do not have, and would not reasonably be expected to result in, (i) a material impairment or delay of the ability of Seller to perform its material obligations under this Agreement taken as a whole or (ii) an Acquired Company Material Adverse Effect.

Section 3.03 Consents and Approvals. Except as set forth in Section 7.02(f), Section 7.02(g), or in Section 3.03 of the Disclosure Schedules, or as may result from any facts or circumstances solely relating to Buyer or its Affiliates (as opposed to any other third party), the execution and delivery by Seller of this Agreement to which Seller is or will be a party does not, and the performance by Seller of, and the consummation by Seller of the Transaction, does not require any material Governmental Authority approval to be obtained or made by Seller prior to the Closing.

Section 3.04 Title to the Shares. Seller is the sole record and beneficial owner of the Shares. The Shares are owned by Seller, and except as set forth in the Disclosure Schedules in connection with the loan to be cleared prior to or at Closing, are free and clear of all Liens. Other than the Shares, the Acquired Company has no other Capital Stock or Company Rights or rights to acquire Capital Stock or Company Rights in, or Indebtedness owed by, it. The Acquired Company does not own any equity interests in any other person or entity, other than equity securities acquired in the ordinary course of investment activities.

Section 3.05 Undisclosed Liabilities. The Acquired Company has no liabilities, obligations or commitments of any sort that would be required to be reflected on a balance sheet prepared in accordance with SAP, except (i) those which are adequately reflected or reserved against in the Section 3.05 of the Disclosure Schedules; and (ii) those which have been incurred in the ordinary course of business since December 31, 2020 and which are not, individually or in the aggregate, material in amount.

Section 3.06 Financial Statements; Reserves; Investment Assets; Accounting Controls.

(a) Seller has made available to Buyer copies of the following financial statements (collectively, the "Financial Statements"): the annual statutory statement of the Acquired Company as of and for the annual periods ended December 31, 2019 and December 31, 2020, in each case, as filed with DIFS and (ii) the quarterly statutory statement of the Acquired Company for the fiscal quarters ended June 30, 2021 and September 30, 2021. The Financial Statements have been prepared in accordance with SAP applied on a consistent basis (except as may be indicated in the notes thereto) and present fairly in all material respects the statutory financial position, admitted assets, liabilities, capital and surplus and results of operations of the applicable entity as of their respective dates and for the respective periods indicated thereby.

(b) The statutory reserves carried on the Financial Statement (i) were or will be computed in all material respects in accordance with generally accepted actuarial principles consistently applied throughout the periods covered by such Financial Statements taken together; (ii) are fairly stated, in all material respects, in accordance with sound actuarial principles; (iii) have been based on actuarial assumptions and methods which produced reserves at least as great as those called for in any applicable Insurance Contract and (iv) satisfied or will satisfy all applicable Law and the requirements of SAP, as the case may be, in all material respects.

(c) Seller has made available to Buyer (i) a true and complete list of all Investment Assets of the Acquired Company as of June 30, 2021 and (ii) true and complete copies of the investment policies and guidelines applicable to the Acquired Companies' investment activities as of the date hereof.

(d) The Acquired Company has designed and maintained systems of internal accounting controls sufficient to provide reasonable assurances that, in all material respects, (i) all transactions are executed in accordance with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with SAP, (iii) access to its property and assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

(e) As of December 31, 2020, the Acquired Company had a risk based capital (RBC) level of [redacted], as determined under Michigan SAP, and the Acquired Company has no knowledge of any material decrease in its RBC ratio since that time. The Acquired Company is in compliance with all regulatory requirements relating to its reserves, capital, surplus, and assets, and has no reason to believe that additional capital is necessary in order to continue its operations.

(f) The Seller has made available to the Buyer a true and complete copy of the most recent report on examination of the Acquired Company prepared by DIFS,

including any draft report. The Acquired Company has complied with all requirements and recommendations made in such report on examination, and there are no issues raised therein that remain open and have not been resolved to the satisfaction of DIFS.

Section 3.07 Insurance. Section 3.07 of the Disclosure Schedules sets forth a list, as of the date hereof, of all material insurance policies maintained by the Acquired Company or with respect to which the Acquired Company is a named insured or otherwise the beneficiary of coverage (collectively, the "Insurance Policies"). Such Insurance Policies are in full force and effect on the date of this Agreement and all premiums due on such Insurance Policies have been paid, except as would not have an Acquired Company Material Adverse Effect.

Section 3.08 Legal Proceedings; Governmental Orders.

(a) Except as set forth in Section 3.08(a) of the Disclosure Schedules, there are no Actions pending or, to Seller's knowledge, threatened against or by the Acquired Company affecting the Shares or assets (or by or against Seller or any Affiliate thereof and relating to the Acquired Company), which if determined adversely to the Acquired Company (or to Seller or any Affiliate thereof) would be reasonably likely to result in an Acquired Company Material Adverse Effect.

(b) Except as set forth in Section 3.08(b) of the Disclosure Schedules, there are no outstanding Governmental Orders against, relating to, or affecting the Seller or any Affiliate thereof or the Acquired Company or any of its properties or assets which would be reasonably likely to have an Acquired Company Material Adverse Effect.

Section 3.09 Compliance with Laws; Permits.

(a) Except as set forth in Section 3.09(a) of the Disclosure Schedules, the Acquired Company is and has been since January 1, 2019, in compliance with all material Laws applicable to it or its business, properties or assets.

(b) All material Permits required to be obtained from Governmental Authorities for the Acquired Company to conduct its business have been obtained and are valid and in full force and effect.

Section 3.10 Taxes.

(a) Except as set forth in Section 3.10(a) of the Disclosure Schedules:

(i) The Acquired Company has filed (taking into account any valid extensions) all material Tax Returns. Such Tax Returns are true, complete and correct in all material respects. The Acquired Company is not currently the beneficiary of any extension of time within which to file any material Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business. All material Taxes due and owing by the Acquired Company (whether or not reflected on such Tax Returns) have been paid or accrued.

(ii) No extensions or waivers of statutes of limitations have been given or requested with respect to any material Taxes of the Acquired Company.

(iii) There are no ongoing Actions by any taxing authority against the Acquired Company.

(iv) The Acquired Company is not a party to any Tax-sharing agreement.

(v) All material Taxes which the Acquired Company is obligated to withhold have been duly and timely withheld, and such withheld Taxes have been either duly and timely paid to the proper governmental authority or properly set aside in accounts for such purpose and has complied in all material respects with applicable Tax information reporting requirements.

(vi) All accounting entries (including charges and accruals) for Taxes with respect to the Acquired Company reflected on the books of the Acquired Company (excluding any provision for deferred income taxes reflecting either differences between the treatment of items for accounting and income tax purposes or carryforwards) are adequate to cover any material Tax liabilities accruing through the end of the last period for which the Acquired Company ordinarily records items on its books. Since the end of the last period for which the Acquired Company ordinarily records items on its books, the Acquired Company has not engaged in any transaction, or taken any other action, other than in the ordinary course of business, that would reasonably be expected to result in a materially increased Tax liability or materially reduced Tax asset.

(vii) The time for filing any Tax Return with respect to the Acquired Company has not been extended to a date later than the date of this Agreement except that the Acquired Company has filed an extension for its federal and state 2020 tax year return. No Taxes with respect to the Acquired Company are currently under audit, examination or investigation by any governmental authority or the subject of any judicial or administrative proceeding. No governmental authority has asserted or threatened to assert any deficiency, claim or issue with respect to Taxes or any adjustment to Taxes against the Acquired Company with respect to any taxable period for which the period of assessment or collection remains open. No jurisdiction (whether within or without the United States) in which the Acquired Company has not filed a particular type of Tax Return or paid a particular type of Tax has asserted that the Acquired Company is required to file such Tax Return or pay such type of Tax in such jurisdiction.

(viii) The Acquired Company (i) has not received or applied for a Tax ruling or entered into a closing agreement pursuant to Section 7121 of the Code (or any predecessor provision or any similar provision of state or local law), in either case that would be binding upon the Acquired Company after the Closing Date, (ii) is not or has not been a member of any affiliated, consolidated, combined or unitary group for purposes of filing Tax Returns or paying Taxes (other than a group of which Seller is the common parent) or (iii) has not had any

liability for the Taxes of any Person (whether under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign law, as a transferee or successor, pursuant to any Tax sharing or indemnity agreement or other contractual agreements ("Tax Agreements"), or otherwise).

(ix) The Acquired Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date, as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date under Section 481 of the Code (or any corresponding provision of state, local or foreign income Tax law), (ii) installment sale or open transaction disposition made prior to the Closing Date, or (iii) prepaid amount received on or prior to the Closing Date. The Acquired Company has not participated in a listed transaction within the meaning of Treasury Regulations Section 1.6011-4(c). The Acquired Company has not been a "distributing corporation" or a "controlled corporation" within the meaning of Section 355 of the Code (x) in the two years prior to the date of this Agreement or (y) in a distribution that could otherwise constitute a "plan" or "series of related transactions" in conjunction with the transaction contemplated by this Agreement. The Acquired Company is not party to a "gain recognition agreement" within the meaning of the Treasury Regulations under Section 367 of the Code.

(x) The Tax treatment of each Reinsured Insurance Policy is not, and since the time of issuance (or subsequent modification) has not been, less favorable to the purchaser, policyholder or intended beneficiaries thereof, than the Tax treatment either that was purported to apply in materials provided at the time of issuance (or any subsequent modification of such policy) or for which such policy was intended or reasonably expected to apply at the time of issuance (or subsequent modification). For purposes of this Section 3.9(a)(x), the provisions of law relating to the Tax treatment of such Reinsured Insurance Policies shall include, but not be limited to, Sections 72, 101, 401 through 409A, 412, 415, 417, 457, 817, 7702 and 7702A of the Code and any Treasury Regulations and administrative guidance issued thereunder.

Section 3.11 Brokers. Seller agrees to pay any broker, consultant and banker fees relating to the Transaction directly and to indemnify, defend and hold Buyer harmless from any such fees or expenses owed to any broker, consultant or banker.

Section 3.12 Transactions with Affiliates. All agreements, arrangements and other commitments or transactions to or by which the Acquired Company, on the one hand, and Seller or any of its Affiliates, on the other hand, are parties or are otherwise bound or affected are set forth in Section 3.12 of the Disclosure Schedules. At the Closing, all such agreements, arrangement and other commitments or transactions shall have been terminated, with no liability to the Acquired Company.

Section 3.13 Employees and Employee Benefits.

(a) The Acquired Company is not a party to or otherwise bound by any collective bargaining agreement with respect to its employees and, as of the date of this Agreement, there are no labor unions or other organizations or groups representing, purporting to represent or attempting to represent any employees. The Acquired Company is in material compliance with all applicable Laws respecting labor, employment, fair employment practices, terms and conditions of employment, disability, immigration, health and safety, harassment, non-discrimination, workers' compensation, unemployment compensation, sick leave and leaves of absence, including those related to the COVID-19 pandemic, employee privacy, employee classification, and wages and hours, and the collection and payment of withholding and payroll Taxes and similar Taxes with respect to its employees.

(b) Section 3.13(b) of the Disclosure Schedules sets forth a true and correct list of all material employee benefit plans, policies and programs, including any long term incentive plans, in which any current or former Acquired Company employee is entitled to participate. There is no material liability under ERISA or with respect to any employee benefit plan that provides or promises benefits beyond retirement or other termination of service, except for coverage mandated by applicable Law. The Acquired Company does not contribute to and is not obligated to contribute to a Multiemployer Plan or a "multiple employer plan" within the meaning of section 4063 or 4064 of ERISA.

(c) Neither the execution, delivery and performance of this Agreement by Seller nor the consummation of the transactions contemplated by this Agreement will (alone or in combination with any other event) result in an increase in the amount of compensation or benefits or the acceleration of the vesting or timing of payment of any compensation or benefits payable to or in respect of any employee or any increased or accelerated funding obligation with respect to any employee benefit plan, (B) require the Acquired Company to fund any liabilities or place in trust or otherwise set aside any amounts in respect of any employee benefit plan, (C) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code (or any comparable provision of state, local or foreign Tax Laws), or (D) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code (or any comparable provision of state, local or foreign Tax Laws).

Section 3.14 Contracts.

(a) Section 3.14(a) of the Disclosure Schedules sets forth to Seller's Knowledge: (i) any contract that is material to the business or operations of the Acquired Company; (ii) any contract containing covenants binding upon the Acquired Company that materially restricts the ability of the Acquired Company to compete in any business or in any geographic area that is material to the Acquired Company; (iii) any contract with respect to a joint venture or partnership agreement; (iv) any contract which provides for any guarantee of third party obligations; (v) any contract which provides for payments to be made by the Acquired Company upon a change in control thereof (other than a Benefit Plan); (vi) any reinsurance agreement; and (vii) any contract relating to indebtedness of any sort. Each such contract described in clauses (i) through (vii) is referred to herein as a "Material Contract." To Seller's Knowledge, each of the Material

Contracts is valid and binding on the Acquired Company and each other party thereto and is in full force and effect. To Seller's Knowledge, there is no default under any Material Contract by the Acquired Company or any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Acquired Company or any other party thereto.

(b) With respect to each Material Contract that is an assumed reinsurance agreement, the Acquired Company is in full compliance with all the terms and conditions thereof, there is no active dispute with any cedant thereunder, and no cedant currently has asserted any right to recapture or terminate the agreement; provided, that Section 3.14(b) of the Disclosure Schedules sets forth any formal waivers that have been received from cedants under any such reinsurance agreements.

Section 3.15 Insurance Policies. All policies, binders, slips, certificates, guaranteed insurance contracts, annuity contracts and participation agreements and other agreements of insurance, whether individual or group, in effect as of the date hereof (including all applications, supplements, endorsements, riders and ancillary documents in connection therewith) that are issued by the Acquired Company, and any and all marketing materials are, to the extent required under applicable Laws, on forms and at rates approved by the insurance regulatory authority of the jurisdiction where issued or, to the extent required by applicable Laws, have been filed with and not objected to by such authority within the period provided for objection. The Acquired Company has made available to Buyer true and complete copies of (i) any material reports on financial examination (including draft reports where final reports are not yet available) and (ii) any material reports on market conduct examination (including draft reports where final reports are not yet available), in the case of each of (i) and (ii) delivered by any insurance regulatory authority in respect of the Acquired Company since January 1, 2019.

Section 3.16 Real Property; Environmental. Section 3.16 of the Disclosure Schedules sets forth a true and complete list as of the date hereof of each lease and/or sublease to which the Acquired Company Subsidiaries is a party. Other than the leases and/or subleases set forth in Section 3.16 of the Disclosure Schedules, the Acquired Company does not own or hold any interest in any real property. The Acquired Company (a) has not received written notice from any Governmental Authority or other Person alleging that the Acquired Company is in violation of any applicable environmental Law and (b) the Acquired Company is in compliance with applicable environmental Laws.

Section 3.17 No Other Representations and Warranties. Except for the representations and warranties contained in this ARTICLE III (including the related portions of the Disclosure Schedules), none of the Seller, the Acquired Company or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller or the Acquired Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Acquired Company furnished or made available to Buyer any information, documents or material delivered to Buyer/made available to Buyer in the Seller's virtual data room maintained by Seller for purposes of this Agreement or any management presentations made in expectation of the transactions contemplated hereby or as to the future revenue, profitability or success of the Acquired Company, or any representation or warranty arising from statute or otherwise in law.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows as of the date hereof and as of the Closing Date (except for such representations and warranties which address matters only as of a specific date, which representations and warranties shall be true and correct as of such specific date):

Section 4.01 Incorporation and Authority of Buyer.

(a) Buyer is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware. As of the Closing Date, each other Buyer Party is a corporation or other legal entity duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction in which it is incorporated or organized.

(b) Buyer and, as of the Closing Date, has all requisite power to enter into, consummate the Transaction, and carry out its obligations under this Agreement. The execution and delivery by Buyer of this Agreement, the consummation by Buyer of the Transaction and the performance by Buyer of its obligations under this Agreement has been duly authorized by all requisite action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, rehabilitation, liquidation, fraudulent conveyance or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.02 No Conflicts. Provided that all consents, approvals, authorizations and other actions described in Section 4.03 have been obtained or taken, except as otherwise provided in this ARTICLE IV and except in the case of clauses (b) and (c) below as may result from any facts or circumstances solely relating to Seller or its Affiliates (as opposed to any other third party), the execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the Transaction do not (a) violate, conflict with or require a Consent under the organizational documents of Buyer, (b) violate or conflict with any Law, Permit or other Governmental Order applicable to Buyer or by which Buyer or its properties or assets is bound or subject or (c) result in any breach of, or constitute a default (or event which, with the giving of notice or lapse of time, or both, would become a default) under, result in the loss of any right, entitlement or obligation in, or give to any Person any rights of termination, acceleration, or cancellation of, or result in the creation of any Lien on any of the assets or properties of Buyer pursuant to, any material note, bond, mortgage, indenture or Contract to which Buyer is a party or by which any of such assets or properties is bound, other than, in the case of clauses (b) and (c), any such conflicts, violations, breaches, defaults, rights or Liens that, individually or in the aggregate, do not have, and would not reasonably be expected to have, a Buyer Material Adverse Effect.

Section 4.03 **Consents and Approvals**. Except as set forth in Section 4.03 of the Buyer Disclosure Schedules, or as may result from any facts or circumstances solely relating to Seller or its Affiliates (as opposed to any other third party), the execution and delivery by Buyer of this Agreement does not, and the performance by Buyer and each other Buyer Party of, and the consummation by Buyer of the Transactions and this Agreement do not, require any Governmental Approval to be obtained or made by Buyer prior to the Closing, except for such Governmental Approvals, the failure of which to be obtained or made has not had, and would not reasonably be expected to have a Buyer Material Adverse Effect.

Section 4.04 **Absence of Litigation**. There are no Actions pending or, to the Knowledge of Buyer, threatened in writing, against Buyer or any other Buyer Party that question the validity of, seek injunctive relief with respect to, this Agreement or the Ancillary Agreements or the right of Buyer to enter into this Agreement or the Ancillary Agreements to which Buyer or any other Buyer Party is or will be a party, and would reasonably be expected to have a Buyer Material Adverse Effect.

Section 4.05 **Securities Matters**. The Shares are being acquired by Buyer for its own account and without a view to the distribution or sale to the public of the Shares or any interest in them. Buyer has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares, and Buyer is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Shares. Buyer understands that it may not sell, transfer, assign, pledge or otherwise dispose of any of the Shares other than pursuant to a registered offering in compliance with, or in a transaction exempt from, the registration requirements of the Securities Act and applicable state and foreign securities Laws.

Section 4.06 **Financial Ability**. Buyer will have at the Closing sufficient immediately available funds (including through available capacity under revolving debt facilities, loans or other debt and equity investments) to pay, in cash, the Purchase Price and all other amounts payable pursuant to this Agreement or otherwise necessary to timely consummate the Transaction. None of Buyer or any of its Affiliates has incurred any Liabilities or obligations, or is contemplating or aware of any Liabilities or obligations, in either case, that would impair or adversely affect such resources and capabilities. The obligations of Buyer to effect the Transaction is not conditioned upon the availability to Buyer or any of its Affiliates of any debt, equity or other financing in any amount whatsoever.

Section 4.07 **Investment Purpose**. Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof or any other security related thereto within the meaning of the Securities Act. Buyer acknowledges that Seller has not registered the offer and sale of the Shares under the Securities Act or any state securities laws, and that the Shares may not be pledged, transferred, sold, offered for sale, hypothecated or otherwise disposed of except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Shares for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 4.08 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 4.09 Legal Proceedings. Except as set forth in Section 4.09 of the Buyer Disclosure Schedules, there are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.10 Independent Investigation.

(a) Buyer has conducted its own independent investigation, review and analysis of the Acquired Company, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records and other documents and data of Seller and the Acquired Company for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in ARTICLE III of this Agreement (including related portions of the Disclosure Schedules); and (b) none of Seller, the Acquired Company or any other Person has made any representation or warranty as to Seller, the Company or this Agreement, except as expressly set forth in Article III of this Agreement (including the related portions of the Disclosure Schedules).

(b) Updates to Schedules. Seller shall have the right to supplement the Disclosure Schedules prior to the Closing to reflect any and all events, circumstances or changes that occur after execution of this Agreement by delivery to the Buyer of one or more supplements (each, a "Disclosure Supplement"), provided that any matter set forth in a Disclosure Supplement (a "New Matter") shall not be deemed to amend or supplement the applicable Disclosure Schedules or to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement for purposes of determining whether or not the conditions to Closing set forth in Article VII have been satisfied, provided, further that if the disclosure of the New Matter shall have given rise to the right to terminate this Agreement under Section 9.01(b), the Buyer may either (i) terminate this Agreement by written notice to Seller within five (5) Business Days after receipt of the Disclosure Supplement that includes the New Matter and all information about the New Matter that may be reasonably requested by Buyer or (ii) consummate the Transaction, in which case the applicable Disclosure Schedules shall be deemed amended and supplemented by the New Matter as set forth in such Disclosure Supplement, and no Person may make any claim in respect thereof following the Closing.

Section 4.11 Regulatory Matters. Within the past five (5) years, no Governmental Authority has revoked any license or status held by Buyer or any of its Affiliates to conduct insurance operations. Buyer and its Affiliates and the investors in Buyer or its Affiliates meet all of the requirements on the part of such respective entity set forth by applicable Law (including the Laws of its jurisdiction of formation) for all necessary Consents from Governmental Authorities for the consummation of the Transactions to be obtained, and there are no facts, events or

circumstances, involving or relating to Buyer or any of its Affiliates or the investors in Buyer or its Affiliates, that may prevent or delay the granting of any such Consents from Governmental Authorities.

ARTICLE V
COVENANTS

The Seller and Buyer covenant and agree as follows:

Section 5.01 **General**. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or any Ancillary Document, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the sole cost and expense of the requesting Party with respect to reasonable out-of-pocket costs. Seller shall use commercially reasonable efforts to cooperate with and assist Buyer in obtaining, after the Acquired Company Closing, any regulatory approvals required to enable the Seller to make the appropriate closings or transfers, including transfers of signature authorization, and in providing all notices thereof as may be required by appropriate Governmental Authorities.

Section 5.02 **Regulatory Approvals**.

(a) Each Party shall furnish to each other Party all information reasonably required for any application or other filing to be made pursuant to any applicable Law and any written materials to be furnished to any Governmental Authority in connection with the Transaction contemplated by this Agreement (including, to the extent permitted by applicable Law, providing to such other Party a reasonable opportunity to comment thereon prior to filing, and considering in good faith all reasonable additions, deletions or changes suggested in connection therewith). Each Party shall use its commercially reasonable efforts to obtain (and to cooperate with the other Parties hereto to obtain) any consent, authorization, order or approval of, any exemption by, or any waiver from, any Governmental Authority required to be obtained by the Buyer, the Acquired Company, the Seller or any of their respective Affiliates in connection with the Transaction, specifically including but not limited to Seller's engagement in efforts within the Rehabilitation Court to obtain the approval by the Rehabilitation Court or termination of the Rehabilitation Proceeding required by Section 7.02(f). Each Party shall (i) keep the other Parties informed of the status of the filings, consents and approvals pursuant to this Section 5.02, (ii) inform the other Parties of any material oral communication with, and provide copies of written communications with, any Governmental Authority regarding any such filings or any such transaction, and provide copies of the Transaction Regulatory Filings, if any, and each amendment or supplement thereto in final form upon the submission thereof to the applicable Governmental Authority, and (iii) to the extent permitted by the applicable Governmental Authority and to the extent related to the transactions contemplated hereby, give the other Parties prior written notice of the time and place of any meetings, hearings or other proceedings with any Governmental Authority regarding any such filings or the transactions contemplated hereby and the opportunity for such other Parties (and their representatives) to attend and participate in any such meetings, hearings or proceedings (other than telephone calls initiated by such Governmental Authority and not scheduled in

advance or ministerial telephone calls not expected to invoke a substantive discussion of the transactions contemplated hereunder). Notwithstanding the foregoing, nothing in this Agreement shall require any Party to provide to the other Party any information or materials that (A) are commercially sensitive, (B) are sensitive personally identifiable information, or (C) are legally privileged.

(b) Without limiting the foregoing, Buyer shall (i) file or cause to be filed with DIFS (A) the Form A filing with DIFS, and (B) if required, any transaction notifications on "Form D" or similar notifications; (collectively, the "Transaction Regulatory Filings"), in each case, as promptly as practicable and, in any event, within twenty (20) Business Days after the date hereof, and (ii) comply as promptly as practicable with any request by DIFS for additional information, documents, or other materials (including supplements or amendments to the Transaction Regulatory Filings). Each Party shall provide the other Party with prompt notice of any consent, notice or other communication of any Authority with respect to the Transaction Regulatory Filings.

(c) Notwithstanding anything the contrary contained in this Section 5.02, Section 5.07 or otherwise in this Agreement, in no event shall Buyer or any of its Affiliates, be required to agree to or accept (and Seller and its Affiliates shall not agree to or accept) any action, restriction, limitation, obligation, requirement or condition requested or imposed by any Governmental Authority that would, individually or in the aggregate with any other such actions, restrictions, limitations, obligations, requirements or conditions, reasonably be expected to constitute a Burdensome Condition.

Section 5.03 Ordinary Course of Dealing. Prior to the Closing, to the extent permitted by the limitations in existence as a result of the Rehabilitation Proceeding, Seller shall conduct the business of the Acquired Company in the ordinary course, consistent with past practices, except as otherwise permitted or required by this Agreement, or consented to by Buyer in writing. Without limiting the foregoing, the Seller shall not, and shall cause Acquired Company to:

(a) enter into any contracts, agreements, obligations or undertakings that would become a Material Contract;

(b) divest any of its investments outside of its ordinary course of business but for the sale of investments contemplated under Section 5.07(b);

(c) reincorporate, redomesticate or amend the certificate of incorporation or by-laws of the Acquired Company;

(d) intentionally abandon, modify, waive, surrender, withdraw or terminate any material Insurance License or any other material Permit of the Acquired Company;

(e) enter into any new line of business on which the Acquired Company assumes risk directly or through reinsurance;

(f) make or change any material Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, amend any material

Tax Returns or file any claims for material Tax refunds, enter into any material closing agreement, settle any material Tax claim, audit or assessment or surrender any right to claim a material Tax refund, offset or other reduction in Tax liability;

(g) make any payment of any sort to any Affiliate, including any payments of dividends or other distributions, any payments of indebtedness; any payments by way of redemption or in any other manner related to the outstanding capital stock of the Acquired Company, any payments under intercompany agreements, any payments by way of employment or consulting arrangements, payment of any expenses related to the Transaction, assumption or satisfaction of any liabilities (including liability for taxes);

(h) seek approval from DIFS for the use of any accounting practices in connection with the Acquired Company's Statutory Statements that depart from the accounting practices prescribed or permitted by applicable Laws of the State of Michigan, unless such accounting practices are required by DIFS; or

(i) take any substantial steps, or enter into any agreements, contracts, commitments or other undertakings of any sort, to exit or otherwise cease or materially diminish operations in any market, including Canada.

Section 5.04 **Access to Information; Due Diligence**. During the period between the date of this Agreement and the Closing Date, Buyer shall be entitled, through its employees, agents and representatives, to make such reasonable investigation of the assets, liabilities, financial condition, properties, business and operations of the Acquired Company as Buyer reasonably deems to be necessary or appropriate, and for such purposes to have access to the Books and Records and of the Acquired Company Tax Returns and other Tax information of the Acquired Company in each case wherever located (including, without limitation, access to the amount of Unrealized Embedded Gains as reported in the Clearwater accounting system as of any time prior to the Closing), and provided the same shall not require the Acquired Company to provide any such access or furnish any such information that in its reasonable judgment would (A) result in the disclosure of any protected confidential information or trade secrets of third parties, (B) violate any applicable Law, or (C) compromise or constitute a waiver of any attorney-client or work product privilege of the Acquired Company or the Seller. Buyer shall conduct any such investigation, access and examination during regular business hours upon reasonable prior notice in a manner that would not cause undue disruption of the business activities of the Acquired Company. To the extent permitted by the limitations in existence as a result of the Rehabilitation Proceeding, Seller shall cause the Acquired Company to, and Seller shall, cooperate as reasonably requested with Buyer's employees, agents and representatives in connection with such investigation, access and examination. Buyer shall hold all documents and other materials accessed, obtained or otherwise reviewed in connection with such investigation, access and examination, in confidence unless and until such time as such documents and other materials become publicly available. In the event of the termination of this Agreement, upon the Seller's request in the event of termination of this Agreement, Buyer shall deliver to Seller all of such documents and other materials so obtained by Buyer, including all excerpts, abstracts and copies thereof.

Section 5.05 **Confidentiality**. Buyer acknowledges and agrees that the Confidentiality Agreement, dated as of June 2, 2021 (set forth in an agreement entitled "Joinder Agreement") between Buyer and Seller (the "Confidentiality Agreement") remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyer pursuant to this Agreement.

Section 5.06 **[Reserved]**.

Section 5.07 **Cooperation**.

(a) Between the date of this Agreement and the Closing Date, the Parties shall each use his, her or its commercially reasonable efforts to cause the conditions in ARTICLES II and VII to be satisfied, and the Parties shall cooperate with each other, to take or cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement.

(b) Prior to the Closing Date, subject to applicable regulatory constraints, the Acquired Company shall instruct its asset manager (GSAM) to liquidate assets and take other actions with respect to its investment portfolio as shall be requested by Buyer.

Section 5.08 **Notification**. During the Pre-Closing Period, Seller shall promptly notify Buyer in writing if the Acquired Company or Seller becomes aware of any fact or condition that causes or constitutes a breach of any representations and warranties of the Seller contained herein, or if Seller becomes aware of the occurrence after the date hereof of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty. During the same period, Seller shall notify Buyer of the occurrence of any breach of any covenant of the Acquired Company or the Seller or of the occurrence of any event that may make the satisfaction of the conditions contained in this Agreement impossible or unlikely. The closing conditions set forth in ARTICLES II and VII shall be read without giving effect to any notices delivered pursuant to this Section 5.08.

Section 5.09 **Exclusive Dealing**. Until the earlier of the Closing Date or the date this Agreement is terminated pursuant to ARTICLE IX below, neither the Acquired Company nor the Seller, nor any of their officers, directors, employees, Affiliates or representatives shall: (a) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of all or any substantial part of the Acquired Company (including any acquisition structured as an asset sale, merger, consolidation, reinsurance transaction, or share exchange); (b) assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing; or (c) taken any actions that would be reasonably likely to interfere with the ability of Buyer to consummate the Transaction (any of the foregoing, an "Acquisition Proposal"). The Seller shall promptly inform Buyer of any inquiries or proposals for and provide Buyer with copies of all related documentation concerning, any Acquisition Proposal.

Section 5.10 **Termination of Services Agreement**. Prior to the Closing, Seller and the Acquired Company shall take all steps necessary to terminate, without any liability to the Acquired Company, the Services Agreement dated on or about July 8, 2021, by and between

Global Bankers Insurance Group, LLC and the Acquired Company; provided that Seller shall and shall cause the Acquired Company to cooperate with Buyer to determine and provide any ongoing services that may be necessary following Closing in order to ensure continuity of operations and policyholder servicing in the event that Buyer has not been able to identify a satisfactory replacement service provider by such time.

Section 5.11 Tax Matters.

(a) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with transactions contemplated by this Agreement (including any real property transfer tax and any similar Tax) shall be paid when due, 50% by Seller and 50% Buyer, and each party will, at its own expense, file all necessary Tax returns and other documentation with respect to all such Taxes and fees.

(b) Consolidated Return Elections. Seller shall make or cause to be made (and shall refrain from making or causing to be made, as applicable) Tax elections (including on a protective basis) so that the Acquired Company shall suffer any reduction in tax basis or other attributes pursuant to Treasury Regulations Section 1.1502-36.

(c) Tax Returns. From the date of this Agreement through and after the Closing Date, Seller shall prepare and file as required by applicable Law with the appropriate taxing authority (or cause to be prepared and filed) in a timely manner (i) all consolidated, combined, unitary, affiliated or similar Tax Returns that include the Acquired Company on the one hand and Seller or any Affiliate thereof on the other hand for all Pre-Closing Periods and (ii) all other Tax Returns of the Acquired Company that are required to be filed on or prior to the Closing Date. All such Tax Returns shall be prepared in a manner consistent with most recent past practice, except as otherwise required by applicable Law.

(d) Tax Agreements; Powers of Attorney. Prior to the Closing Date, Seller shall terminate all Tax Agreements to which the Acquired Company is a party such that the Company shall not have any obligations thereunder following the Closing. Seller shall cause any and all existing powers of attorney with respect to Taxes or Tax Returns to which the Company or any of its Subsidiaries is a party to be terminated as of the Closing.

Section 5.12 Use of Proceeds. Seller shall use a portion of the proceeds received by it at Closing to [redacted]

[redacted]

ARTICLE VI
NON-SURVIVAL OF REPRESENTATIONS, WARRANTIES AND PRE-CLOSING COVENANTS

Section 6.01 **Non-Survival of Representations, Warranties and Pre-Closing Covenants**. None of the representations or warranties of any party hereto contained in this Agreement or any of the other documents contemplated hereby (including any certificate to be delivered under Article VII) shall survive the Closing. None of the covenants of any party hereto required to be performed by such party before the Closing shall survive the Closing and unless otherwise indicated, the covenants and agreements set forth in this Agreement which by their terms are required to be performed after the Closing shall survive the Closing until they have been performed and satisfied. Notwithstanding anything to the contrary herein, nothing herein shall be deemed to apply to, or limit in any way, any party's rights and remedies in the case of intentional fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement.

Section 6.02 **No Indemnity.** No indemnification is provided by this agreement. The parties agree to bear their respective liability for any acts or omissions resulting under this agreement as the same shall be determined under the laws of the state of New York.

ARTICLE VII
CONDITIONS TO CLOSING AND RELATED MATTERS

Section 7.01 **Conditions Precedent to Obligation of Buyer**. The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions on or before the Closing Date (unless expressly waived in writing by Buyer on or before the Closing Date):

(a) Compliance by Seller. All of the terms, covenants and conditions of this Agreement to be complied with and performed by Seller and the Acquired Company before the Closing Date shall have been complied with and performed by it in all material respects; and the representations and warranties made by Seller in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except that any such representations and warranties that relate to a particular date or period shall be true and correct as of such date or period.

(b) Compliance Certificate. The Seller shall have delivered to Buyer a certificate dated the Closing Date and signed by the Seller certifying on behalf of the Seller that the conditions specified in Section 7.01(a) have been fulfilled.

(c) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by any Governmental Authority or other legal restraint or prohibition preventing the consummation of the Closing shall be in effect.

(d) Closing Deliveries. Sellers shall have delivered to Buyer the items described in ARTICLES II and VII.

(e) No Material Adverse Effect. During the period between the date of this Agreement and the Closing Date, there shall not have occurred an Acquired Company Material Adverse Effect or any change, event or state of circumstances or facts that may reasonably be expected to have an Acquired Company Material Adverse Effect.

(f) The approvals or prior written non-approvals from Governmental Authorities listed on **Schedule 2.03(e)** shall have been obtained and be in full force and effect, in each case, without imposition of any Burdensome Condition;

(g) All other required consents listed on **Schedule 2.03(e)**, including but not limited to any consent, approval or authorization required under any Material Contract as a result of the Transaction, shall have been made or obtained and shall be in full force and effect at the Closing; and

(h) Seller shall have contributed to the Acquired Company cash in the amount of [redacted] reflecting the value of that certain tax receivable that arose from group tax consolidation prior to fiscal year 2020.

(i) The Acquired Company shall have RBC equal to or greater than [redacted], all as determined in accordance with Michigan SAP consistently applied, and determined on a pro forma (estimated) basis as of the month end prior to the Closing Date; and Seller shall have delivered a certificate from a qualified accountant or actuary certifying as to such RBC level.

(j) Seller shall have delivered evidence reasonably satisfactory to Buyer of the cancellation of any previously issued and outstanding shares, including any such shares that may have been lost, stolen or the transfer of which is otherwise not recorded in the stock transfer records of the Acquired Company, and the issuance of the Shares shall vest sole and exclusive ownership of the Acquired Company in Buyer.

(k) The Unrealized Investment Gains shall not be below [redacted].

Section 7.02 Conditions Precedent to Obligation of Sellers as to Buyer. The obligation of the Seller to consummate the Closing is subject to satisfaction of the following conditions on or before the Closing Date (unless expressly waived in writing by the Seller on or before the Closing Date):

(a) Compliance by Buyer. All of the terms, covenants and conditions of this Agreement to be complied with and performed by Buyer on or before the Closing Date shall have been complied with and performed by it in all material respects, and the representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except that any such representations and warranties that relate to a particular date or period shall be true and correct in all material respects as of such date or period.

(b) Compliance Certificate. Buyer shall have delivered to Seller a certificate dated the Closing Date and signed by an officer of Buyer certifying that the conditions specified in Section 7.2(a) have been fulfilled.

(c) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by any Authority or other legal restraint or prohibition preventing the consummation of the Closing shall be in effect.

(d) Closing Deliveries. Buyer shall have delivered the items described in Section 2.04 to the Sellers or other Persons, as applicable.

(e) [Reserved].

(f) Rehabilitation Court Approval or Termination. The Circuit Court for Ingham County having jurisdiction over the Rehabilitation Proceedings involving PLICMI in Case Number 19-504-CR shall have entered an Order either: (a) approving the sale of PLICMI by Seller to Buyer; or (b) terminating the Rehabilitation Proceeding.

(g) Regulatory Approval. Prior to Closing, Buyer shall have received approval to purchase PLICMI from the Michigan Department Insurance and Financial Services per MCL 500.1311 through MCL 500.1315 and shall provide evidence of such approval to Seller.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Expenses. All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transaction contemplated under this Agreement shall be paid by the Party incurring such expenses.

Section 8.02 Notices. All notices, requests, consents, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic mail with receipt confirmed or if no failure message is generated (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.02:

(a) If to Seller:
GBIG Holdings, LLC
2222 Sedwick Road
Durham, NC 27713

Attention: Greg Lindberg
Justin Holbrook
Peter Nordberg (General Counsel)

[redacted]

With a copy to:

Clark Hill, PLC

East Cesar E. Chavez Ave
Lansing, MI 48906

Attention: Ronald A. King, Esq.
Office: (517) 318-3015
Mobile: (517) 449-2860
E-mail: rking@clarkhill.com

(b) If to Buyer:

Axar Capital Management LP

915 Broadway, Suite 502
New York, NY 10010

Attention: Andrew Axelrod
[redacted]

With a copy to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

Attention: Nicholas F. Potter
Telephone: (212) 909-6459
E-mail: nfpotter@debevoise.com

Section 8.03 **Public Announcements**. No party to this Agreement shall, and each party shall cause its respective Affiliates and Representatives not to, issue or cause the publication of any press release or public announcement or otherwise communicate with any news media in respect of this Agreement or the Transaction without the prior written consent of the other parties (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by Law or applicable securities exchange or listing authority rules or except with respect to the press releases to be issued by Seller and Buyer in respect of the execution and delivery of this Agreement, the forms of which were approved in advance of the execution and delivery of this Agreement. In such case the party required to publish such press release or public announcement shall allow the other parties a reasonable opportunity to the extent reasonably practicable and permitted by applicable Law to comment on such press release or public announcement in advance of such publication. Prior to the Closing, neither of the parties to this Agreement, nor any of their respective Affiliates or Representatives, shall make any public disclosure concerning plans or intentions relating to the customers, agents, producers or employees of, or other Persons with significant business relationships with, the Acquired Company without first obtaining the prior written approval of the other parties, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 8.04 **Severability**. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transaction is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the Transactions be consummated as originally contemplated to the greatest extent possible.

Section 8.05 **Entire Agreement**. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement, any Exhibits, or Ancillary Agreements, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 8.06 **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that the Buyer may assign its rights under this Agreement to another Person. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.07 **Amendment and Modification; Waiver**. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise or delay in exercising, any right

or remedy arising from this Agreement shall operate or be construed as a waiver thereof. No single or partial exercise of any right or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 8.08 Schedules. Any disclosure set forth in the Disclosure Schedules with respect to any Section of this Agreement shall be deemed to be disclosed for purposes of other Sections of this Agreement to the extent that such disclosure sets forth facts in sufficient detail so that the relevance of such disclosure would be reasonably apparent to a reader of such disclosure. Matters reflected in any Section of the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be so reflected. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. No reference to or disclosure of any item or other matter in the Disclosure Schedules shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in this Agreement. Without limiting the foregoing, no such reference to or disclosure of a possible breach or violation of any Contract, Law or Governmental Order shall be construed as an admission or indication that a breach or violation exists or has actually occurred.

Section 8.09 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) Seller and Buyer irrevocably and unconditionally submits for itself and its property in any Action arising out of or relating to this Agreement, the Transaction, the formation, breach, termination or validity of this Agreement or the recognition and enforcement of any judgment in respect of this Agreement, to the exclusive jurisdiction of any federal court sitting in the Borough of Manhattan in the City of New York, State of New York or, if that court does not have subject matter jurisdiction, in any state court located in the City and County of New York, and any appellate court from any thereof, over any suit, action or proceeding arising out of or relating to the transactions contemplated by this Agreement, and agrees that all claims in respect to any such action or proceeding shall be heard and determined in such New York state or, to the extent permitted by law, in such federal court. Each party hereto irrevocably waiver, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding arising out of or relating to this Agreement or transactions contemplated hereby (whether based on contract, tort or any other theory).

(b) Any such Action may and shall be brought in such courts and each of Seller and Buyer irrevocably and unconditionally waives any objection that it may now or hereafter have to the venue or jurisdiction of any such Action in any such court or that such Action was brought in an inconvenient court and shall not plead or claim the same.

(c) Service of process in any Action may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage repaid, to such party at its address as provided in Section 8.02.

(d) Nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the Laws of the State of New York.

(e) Governing Law. This Agreement, and the formation, termination or validity of any part of this Agreement shall in all respects be governed by, and construed in accordance with, the Laws of the State of New York, excluding any of its conflict-of-law provisions that would cause the laws of any other jurisdiction to be applied.

(f) Waiver of Jury Trial. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION (WHETHER BASED ON CONTRACT, TORT OR OTHER THEORY) ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ITS PERFORMANCE UNDER OR THE ENFORCEMENT OF THIS AGREEMENT. ANY PARTY HERETO MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT BY AND AMONG THE PARTIES TO WAIVE IRREVOCABLY THEIR RIGHT TO TRIAL BY JURY IN ANY SUCH ACTION. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) EACH PARTY HERETO UNDERSTANDS AND HAS CONSIDERED THE IMPLICATION OF THIS WAIVER, (c) EACH PARTY HERETO MAKES THIS WAIVER VOLUNTARILY, AND (d) EACH PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.09

Section 8.10 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the covenants or obligations contained in this Agreement are not performed in accordance with their specific terms or were otherwise breached. Subject to any termination of this Agreement pursuant to ARTICLE IX each of the Parties hereto shall be entitled to injunctive or other equitable relief to prevent or cure any breach by the other parties of its covenants or obligations contained in this Agreement and to specifically enforce such covenants and obligations in any court referenced in Section 8.09 having jurisdiction, such remedy being in addition to any other remedy to which any party may be entitled at law or in equity. The Parties acknowledge and agree that, in the event that the other parties seek an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the terms and provisions of this Agreement, the party seeking an injunction will not be required to provide any bond or other security in connection with any such order or injunction.

Section 8.11 Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, in writing at any time by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing executed by an authorized officer of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any preceding or subsequent breach.

Section 8.12 **Rules of Construction**. Interpretation of this Agreement shall be governed by the following rules of construction: (a) defined terms in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include all other genders as the context clearly requires; (b) references to Articles, Sections, paragraphs, Exhibits and Schedules are references to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (c) references to "*$*" shall mean United States Dollars; (d) the word "*including*" and words of similar import when used in this Agreement shall mean "*including without limiting the generality of the foregoing*," unless otherwise specified; (e) the word "*or*" shall not be exclusive, unless the context clearly otherwise requires; (f) the table of contents, articles, titles and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (g) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted; (h) the Schedules and Exhibits referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein; (i) unless the context otherwise requires, the words "*hereof*," "*herein*" and "*hereunder*" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (j) all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein; (k) any agreement or instrument defined or referred to herein or any agreement or instrument that is referred to herein means such agreement or instrument as from time to time amended, modified or supplemented, including by waiver or consent, as permitted under this Agreement and references to all attachments thereto and instruments incorporated therein; (l) any statement that a document has been "*delivered*," "*provided*" or "*made available*" (or any phrase of similar import) to Buyer means that such document has been uploaded to the electronic data room maintained by Seller at least two (2) Business Days prior to the date of this Agreement; (m) any statute or regulation referred to herein means such statute or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of any statute, includes any rules and regulations promulgated under such statute), and references to any section of any statute or regulation include any successor to such section; (n) all time periods within or following which any payment is to be made or act to be done shall be calculated by excluding the date on which the period commences and including the date on which the period ends and by extending the period to the first succeeding Business Day if the last day of the period is not a Business Day; (o) references to any Person include such Person's predecessors or successors, whether by merger, consolidation, amalgamation, reorganization or otherwise; and (p) references to any Contract (including this Agreement) or organizational document are to the contract or organizational document as amended, modified, supplemented or replaced from time to time, unless otherwise stated.

Section 8.13 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

ARTICLE IX
TERMINATION AND WAIVER

Section 9.01 **Termination**. This Agreement may be terminated at any time before the Closing:

(a) By mutual written consent of the Buyer and the Seller;

(b) By Buyer if the Acquired Company or the Seller breaches or fails in any material respect to perform or comply with any of its representations, warranties, covenants or agreements set forth in this Agreement, so as to cause any of the conditions set forth in Section 2.03 and Section 7.01 not to be satisfied, and either:

(i) Such breach or default in performance is not capable of being cured or shall not have been cured or waived within thirty (30) days after written notice thereof from the Buyer to the Seller, or

(ii) The Acquired Company or the Seller shall not have provided reasonable written assurance that such breach or default in performance shall be cured on or before the expected Closing Date;

(c) By the Seller, if Buyer breaches or fails in any material respect to perform or comply with any of its representations, warranties, covenants or agreements set forth in this Agreement, so as to cause any of the conditions set forth in Sections 2.04 or 7.02 not to be satisfied, and either:

(i) Such breach or default in performance is not capable of being cured or shall not have been cured or waived within thirty (30) days after written notice thereof from the Seller to Buyer, as applicable, or

(ii) Buyer, as applicable, shall not have provided reasonable written assurance that such breach or default in performance shall be cured on or before the expected Closing Date; or

(d) By the Seller or Buyer if there shall be any Law that makes consummation of the Transactions illegal or otherwise prohibited or if consummation of the Transactions contemplated under this Agreement would violate any non-appealable final order, decree or judgment of any court or Authority having competent jurisdiction;

(e) By the Seller or Buyer if the Closing shall not have occurred on or before June 30, 2022, or such other date as may be mutually agreed to by the Parties, and provided that if Buyer is pursuing regulatory approval of the Transaction in good faith, and such approval has not been obtained by June 30, 2022, then Buyer shall have the option to extend the date of termination until September 30, 2022 (such date, as it may be extended, the "End Date"), but the right to terminate this Agreement under this Section 9.01(e) shall not be available to any Party whose failure to fulfil any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date; or

(f) By the Buyer with 15 days' notice if the Unrealized Investment Gain is below [redacted] at any time prior to the Closing provided such termination shall not be effective if upon the end of such 15-day notice period the Unrealized Gain amount is greater than [redacted]

The termination of this Agreement shall be effectuated by the delivery of a written notice of termination from the Party terminating this Agreement to the other Party.

Section 9.02 Effect of Termination. If this Agreement is terminated under Section 9.01 above:

(a) (a) This Agreement shall immediately become void and there shall be no liability or obligation on the part of the Sellers or Buyers or their respective officers, directors, stockholders, general or limited partners, members or Affiliates, except that the provisions of Sections 9.02 (Effect of Termination), 9.03 (Limited Remedies Upon Termination), and Article VIII (Miscellaneous), shall remain in full force and effect and survive any termination of this Agreement; and

(b) Such termination shall relieve each Party to this Agreement from all breaches or defaults under this Agreement except as provided in this Section 9.02 or Section 9.03, below.

Section 9.03 Limited Remedies Upon Termination. In the event of termination of this Agreement under Section 9.01(b), Section 9.01(c), or Section 9.01(e), any Party shall have the right to recover direct out-of-pocket damages sustained by such Party as a result of any knowing and intentional breach of any representation, warranty, covenant or agreement contained in this Agreement by another Party before such termination, but such damages shall be limited to the reasonable and documented costs and expenses incurred by such Party in connection with the negotiation of, and the performance under, this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date the first written above by their respective duly authorized officers.

GBIG HOLDINGS, LLC
a Delaware limited liability company

DocuSigned by:
By: Greg Lindberg
7474A36CADC34BC...
Name: Greg E. Lindberg
Title: Manager

AXAR CAPITAL MANAGEMENT LP
a Delaware limited partnership

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date the first written above by their respective duly authorized officers.

GBIG HOLDINGS, LLC
a Delaware limited liability company

By: _____
Name: Greg E. Lindberg
Title: _____

AXAR CAPITAL MANAGEMENT LP
a Delaware limited partnership

By: _____
Name: Andrew Axelrod
Title: Authorized Signatory

Exhibit A – Definitions
Stock Purchase Agreement

"Acquired Company" shall mean PLCMI as set forth in the preliminary statements to this Agreement.

"Acquired Company Material Adverse Effect" means (a) a material adverse effect on the assets, financial condition, business, or results of operations of the Acquired Company, taken as a whole; provided, that none of the following (or the results thereof) shall constitute or be deemed to contribute to any such Acquired Company Material Adverse Effect, and otherwise shall not be taken into account in determining whether an Acquired Company Material Adverse Effect has occurred or would be reasonably likely to occur: any adverse fact, circumstance, change or effect arising out of or resulting from (i) changes in the United States or global economy or capital or financial markets, (ii) political conditions in the United States generally and any natural disasters, pandemics, hostilities, acts of war, sabotage, terrorism or military actions, (iii) any occurrence or condition generally affecting participants in the industries or markets in which the Acquired Company operate, (iv) the negotiation, execution and delivery of, or compliance with the terms of, or the taking of any action required by this Agreement, or the announcement of, or consummation of, any of the Transactions, and the identity or facts related to Buyer, but with respect to the Rehabilitation, only including the fact that PLICMI has entered into the Rehabilitation, and not any fact, circumstance, change or affect subsequently arising or resulting therefrom, (v) any changes or prospective changes in Law, GAAP, SAP or the interpretation thereof by a Governmental Authority or applicable accounting body, (vi) any action taken by Buyer or its Affiliates, or taken by Seller, the Acquired Company or any of their respective Affiliates at the written request of Buyer with respect to the Transactions not otherwise required under this Agreement, (vii) any change (or threatened change) in the credit, financial strength or other ratings (but any event giving rise to or underlying such change may be taken into account in determining whether there has been an Acquired Company Material Adverse Effect) of Seller or any of its Affiliates, including the Acquired Company; (viii) any failure by the Acquired Company to achieve any earnings, premiums written, or other financial projections or forecasts (but any event giving rise to or underlying such failure may be taken into account in determining whether there has been an Acquired Company Material Adverse Effect), (ix) any effect that has been cured by Seller prior to the Closing; provided, that, notwithstanding the foregoing, with respect to clauses (i), (ii), (iii) and (v), such fact, circumstance, change or effect shall be taken into account in determining whether an Acquired Company Material Adverse Effect has occurred or would be reasonably likely to occur solely to the extent such fact, circumstance, change or effect is disproportionately adverse with respect to the Acquired Company, or its business, as compared to other life insurance companies operating in the markets in which the Acquired Company operates or the businesses of such other life insurance companies; or (b) a material impairment or material delay of the ability of Seller or the Acquired Company to perform its respective obligations under this Agreement, the Ancillary Agreements, taken as a whole, including consummation of the Transaction.

"Acquisition Proposal" shall have the meaning set forth in Section 5.09.

"Action" means any claim, action, suit, litigation, investigation, mediation, audit, arbitration or other proceeding by or before any Governmental Authority or arbitrator or arbitration panel or similar Person or body.

"Affiliate" means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, Controls, is controlled by or is under common Control with such specified Person; provided, that following the Closing the Acquired Company shall not be an Affiliate of Seller.

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"Ancillary Agreements" means each agreement (other than this Agreement), document, instrument or certificate contemplated by this Agreement to be executed and delivered in connection with the Transaction at Closing.

"Aspida" shall have the meaning set forth in Section 1.02(b).

"Aspida Payment" shall have the meaning set forth in Section 1.02(b).

"Book Value" with respect to any investment asset as of any date of determination shall be the statutory book value of such asset as of such date on the books of PLICMI, calculated in accordance with SAP in a manner consistent with its calculation in PLICMI's Financial Statements.

"Burdensome Condition" means, any action, restriction, limitation, obligation, requirement or condition requested or imposed by any Governmental Authority that would, individually or in the aggregate with any other such actions, restrictions, limitations, obligations, requirements or conditions, reasonably be expected to result in:

(A) an impairment of the economic benefits, taken as a whole, which Buyer and its Affiliates, taken together, reasonably expect to derive from the consummation of the transactions contemplated by this Agreement, the proposed reinsurance agreement referenced in Schedule 2.3(e) and the proposed investment management agreement referenced in Schedule 2.3(e);

(B) an impairment of, or adverse effect on, the business or the assets, liabilities, properties, operations, results of operations or financial condition of Buyer or any of its Affiliates;

(C) an impairment of, or adverse effect on, the business or the assets, liabilities, properties, operations, results of operations or financial condition of PLICMI;

(D) any non *de minimis* change to the terms and conditions of the proposed reinsurance agreement referenced in Schedule 2.3(e);

(E) any commitment, obligation or requirement applicable to or binding upon Buyer or any of its Affiliates, to make available or provide any capital contribution or enter into or provide

any indemnity agreement, support agreement, statement of support, bond, guarantee, letter of credit, keep well, or capital maintenance agreement or arrangement, or other commitment, agreement or arrangement to maintain a minimum risk-based capital level or rating with respect to, or in connection with, PLICMI or the new Cayman Islands reinsurer proposed to be formed in connection with the proposed reinsurance agreement referenced in Schedule 2.3(e); or

(F) any prohibition, restriction or limitation in connection with, arising out of or relating to the declaration, setting aside or payment of dividends or distributions by PLICMI, except, to the extent applicable to this clause (F), any prohibition, restriction or limitation imposed by statute generally on insurance companies domiciled in Michigan.

"Buyer" shall have the meaning set forth in the preamble to this Agreement.

"Buyer Disclosure Schedules" means the disclosure schedules dated as of the date hereof delivered by Buyer to Seller in connection with the execution and delivery of this Agreement.

"Buyer Material Adverse Effect" means a material impairment or material delay of the ability of Buyer to perform its material obligations under this Agreement, taken as a whole, including consummation of the Transaction.

"Buyer Parties" shall mean any Affiliates of Buyer that are parties to any Ancillary Agreements.

"Capital Stock" means any stock of, or other type of equity or ownership interest in, a Person, including (a) partner interests, member interests, "profits interests", (b) any instruments convertible into or exchangeable for, or whose value is determined by reference to, any such interests and (c) any other rights, warrants or options to acquire or dispose of any of the foregoing.

"Certificate of Authority" means a Permit issued by the applicable Governmental Authorities with oversight responsibility over insurance companies required to authorize PLICMI to act in the jurisdictions and in the lines of business, each as set forth in Schedule 3.09(b) of the Disclosure Schedules.

"Closing" shall have the meaning set forth in Section 2.01.

"Closing Date" shall have the meaning set forth in Section 2.01.

"Company Rights" means (A) drag-along rights, tag-along rights, options, calls, warrants or convertible or exchangeable securities, or conversion, preemptive, subscription, exchange or other rights, or agreements, arrangements or commitments, in any such case, obligating or which may obligate Seller, any of the Acquired Company or any of its Affiliates, whether contingent or otherwise, to issue, transfer, sell, purchase, return or redeem (or establish a sinking fund with respect to redemption) or otherwise acquire any Capital Stock of the Acquired Company or securities convertible into or exchangeable for any Capital Stock of the Acquired Company or to pay any dividend or make any other distribution in respect thereof, (B) shares of Capital Stock of the Acquired Company reserved for issuance for any purpose, (C) capital appreciation rights,

restricted stock units, phantom stock plans, securities with participation rights or features, or similar obligations or commitments of any of the Acquired Company, (D) bonds, debentures, notes or other Indebtedness of the Acquired Company having voting rights (or convertible into securities having voting rights), (E) contractual obligations or commitments providing for rights to dividends, registration, redemption, repurchase or disposition of, or that restrict the transfer of, any Capital Stock of the Acquired Company, or (F) contractual obligations or commitments restricting the right of the owner thereof to transfer any shares of Capital Stock of the Acquired Company.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" shall have the meaning set forth in Section 5.05.

"Consent" means any approval, authorization, consent, license or permission of, or waiver or other action by, or notification to, any Person.

"Contract" means any agreement, license, lease, instrument or other legally binding arrangement, understanding, commitment or obligation.

"Control" means, with respect to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms "Controlled," "Controlled by," "under common Control with" and "Controlling" shall have correlative meanings.

"DIFS" shall have the meaning set forth in Section 2.04(d).

"Director" means the Director (of the Michigan Department of Insurance and Financial Services ("DIFS").

"Disclosure Schedules" shall have the meaning set forth in Section 1.01.

"Disclosure Supplement" shall have the meaning set forth in Section 4.10(b).

"Encumbrances" shall mean any security interest, mortgage, pledge, lien, charge, option, license, covenant, condition, restriction, judgment, or other right or interest of any nature affecting the Shares.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"Financial Statements" shall have the meaning set forth in Section 3.06(a).

"GAAP" means the accounting principles and practices generally accepted in the United States at the relevant time.

"Governmental Authority" means any United States or non-United States federal, state or local or any supra-national, political subdivision, governmental, legislative, tax, regulatory or

administrative authority, instrumentality, agency, body or commission, self-regulatory organization or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any binding and enforceable order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Indebtedness" means, without duplication, all obligations (including any expenses, costs, fees, penalties, prepayment premiums and fees and breakage costs payable as a result of the consummation of the Transactions or prepaying such obligations) of the Acquired Company for (a) indebtedness for borrowed money, (b) indebtedness issued in substitution or exchange for borrowed money (including obligations under leases required to be capitalized under GAAP or SAP, as applicable), (c) indebtedness evidenced by any note, bond, debenture or other debt security or other similar instrument, (d) bankers' acceptances, letters of credit or similar facilities to the extent drawn, (e) all other items required to be reflected as indebtedness on a balance sheet pursuant to GAAP or SAP, as applicable, (f) the deferred purchase price of property or services, including all earn-outs, contingent consideration and purchase price adjustments, and (g) guaranties with respect to any of the foregoing.

"Insurance Policies" shall have the meaning set forth in Section 3.07.

"Investment Portfolio" means, as of any date of determination, the investment assets of PLICMI that would have been reported on line 12 of Page 2 of PLICMI's statutory statements as they would have been prepared as of such date.

"Knowledge" means (a) in the case of Seller, the actual knowledge, after reasonable inquiry, of those Persons listed in Section 3.02 of the Disclosure Schedules and (b) in the case of Buyer, the actual knowledge, after reasonable inquiry, of those Persons listed in Section 4.02 of the Buyer Disclosure Schedules.

"Law(s)" means any United States or non-United States federal, state or local statute, law, common law, ordinance, regulation, code, Governmental Order or other requirement or rule of law.

"Liabilities" means any and all debts, liabilities, commitments or obligations, whether direct or indirect, accrued or fixed, known or unknown, absolute or contingent, matured or unmatured, liquidated or unliquidated, or determined or determinable, whether arising in the past, present or future.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, security interest, option, claim, encroachment, restriction, or other similar Encumbrance, lien, or adverse right.

"Loan Agreement" shall have the meaning set forth in Section 1.02(a).

"Market Value" shall mean, with respect to any investment asset, as of any date of determination, the value at which such investment asset can be sold to a willing buyer as of such

date, as reported in the Clearwater accounting system (provided such amount shall in any event be calculated in the ordinary course of business consistent with past practices of PLICMI).

"Material Contracts" shall have the meaning set forth in Section 3.14(a).

"Material Matter" shall have the meaning set forth in Section 4.10(b).

"PLICMI" shall have the meaning set forth in the preliminary statements to this Agreement.

"PLICMI Release Agreement" shall have the meaning set forth in Section 2.03(i).

"PLICMI Stock Powers" shall have the meaning set forth in Section 2.03(a).

"Permit(s)" means material governmental qualifications, registrations, licenses, permits or authorizations.

"Person" means any natural person, general or limited partnership, corporation, limited liability company, limited liability partnership, firm, Governmental Authority, association or organization or other legal entity.

"Pre-Closing Period" means any taxable period or portion thereof ending on the Closing Date.

"Purchase Price" shall have the meaning set forth in Section 1.02.

"Rehabilitation" means placement of PLICMI into rehabilitation pursuant to Mich. Comp. Stat. §500.8113 and proceedings under Chapter 81 of the Insurance Code of 1956, Mich. Comp. Stat. §500.8101 et. seq.

"Rehabilitation Court" means the Circuit Court for Ingham County having sole jurisdiction of the Rehabilitation proceeding of PLICMI commenced under chapter 81 of the Insurance Code of 1956, Mich. Comp. Stat. §500.8101 et seq.

"Rehabilitation Order" means the order of the Rehabilitation Court placing PLICMI into Rehabilitation pursuant to Mich. Comp. Stat. §500.8113.

"Rehabilitation Proceeding" means the Rehabilitation proceedings of PLICMI under Chapter 81 of the Insurance Code of 1956, Mich. Comp. Stat. §500.8101 et. seq.

"Rehabilitator" means the Director acting solely in her capacity as rehabilitator of PLICMI and includes counsel, clerks, assistants and special deputies as provided for in Mich. Comp. Stat. §500.8114.

"Reinsured Insurance Policy" means any life insurance or annuity contract reinsured by the Acquired Company.

"Representatives" means of any Person means the directors, officers, employees, advisors, agents, stockholders, consultants, independent accountants, investment bankers, counsel or other representatives of such Person and of such Person's Affiliates.

"SAP" means the statutory accounting principles and practices prescribed by DIFS as in effect at the relevant time.

"Securities Act" means the Securities Act of 1933.

"Seller" shall have the meaning set forth in the preamble to this Agreement.

"Shares" shall mean the Capital Stock of PLCMI as set forth in the preliminary statements to this Agreement.

"Tax" or "Taxes" means (a) all income, premium, excise, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, escheat, abandoned property, transfer, payroll, stamp taxes or other taxes, (whether payable directly or by withholding) imposed by any Tax Authority, together with any interest and any penalties thereon or additional amounts with respect thereto, (b) all Liabilities for the payment of the amounts of the type described in clause (a) as a result of being (or ceasing to be) a member of an affiliated, consolidated, combined or unitary group (or being included (or required to be included) in any Tax Return related thereto) and (c) all Liabilities for the payment of any amounts described in clauses (a) or (b) as a result of being a transferee or successor to any Person, by a Contract the primary subject matter of which is Tax, or by Law.

"Tax Authority" means any Governmental Authority having jurisdiction over the assessment, determination, collection or imposition of any Tax.

"Tax Agreement" shall have the meaning set forth in Section 3.10(a)(viii).

"Tax Returns" means all returns, declarations, reports, certificates, and claims for refunds (including elections, declarations, disclosures, attachments, schedules, estimates and information returns) required to be supplied to a Tax Authority relating to Taxes and, in each case, any amendments thereto.

"Third-Party Consent" means any approval, authorization, Consent, license or permission of, or waiver or other action by, or notification to, any Person (other than (a) a Governmental Authority or (b) an Affiliate of Seller or Buyer).

"Transaction(s)" means the transaction contemplated by this Agreement, including, for the avoidance of doubt, the Rehabilitation.

"Transaction Regulatory Filings" shall have the meaning set forth in Section 5.02(b).

"Unrealized Investments Gains" means, as of any date of determination, the difference between the Market Value and Book Value of the Investment Portfolio of Pavonia as reported on the Clearwater accounting system as of such date.